



## **AMERICAN GREETINGS CORPORATION CORPORATE COUPON REDEMPTION POLICY**

This Coupon Redemption Policy sets forth the standard terms and conditions of redemption which apply to all manufacturer coupon submissions to American Greetings Corporation (hereinafter referred to as **AMERICAN GREETINGS**) for redemption by retailers. Since all of the terms and conditions governing coupon redemption cannot be set forth on a coupon due to space constraints, this Coupon Redemption Policy sets forth the redemption terms under which **AMERICAN GREETINGS** will accept coupons from retailers for redemption. Notwithstanding any prior course of dealing, no purchase orders, invoices, retailer policies, or any other similar documents shall, or be construed to, modify any of the terms and conditions of this Coupon Redemption Policy. Proper store redemption of **AMERICAN GREETINGS** manufacturer coupons authorizes you to submit such manufacturer coupons for reimbursement by **AMERICAN GREETINGS** in accordance with this Coupon Redemption Policy.

A "manufacturer" coupon is defined as a coupon that is generated by **AMERICAN GREETINGS** for use by consumers at noted retail establishments. All manufacturer coupons contain the words "manufacturer coupon" along with secondary UPC redemption coding and redemption address information. Coupons without such information are categorized as "store" coupons and cannot be submitted for redemption. For rules governing "store" coupons, see separate section at the end of this Redemption Policy.

**Any redemption or request to redeem **AMERICAN GREETINGS** manufacturer coupons indicates your acceptance of and consent to all of the terms and conditions of this Coupon Redemption Policy as outlined herein.**

### **Redemption at the Store**

1. Manufacturer coupons are redeemable only by a consumer when the consumer purchases the exact brand, quantity, and/or size indicated on the face of the coupon, prior to the expiration date noted on the coupon. If the consumer's purchase meets all of the mentioned requirements, the retailer shall deduct the face value of the coupon from its retail price.
2. One Coupon per item purchased.
3. Coupons are void when they are reproduced, photocopied, trimmed or altered in any way by the retailer or consumer. A retailer shall not accept a coupon that has been reproduced, photocopied, trimmed or altered in any way. Nor shall a retailer accept a coupon past its noted expiration date.
4. Coupons are non-assignable and are void if transferred from their original recipient to any other person, firm or group. **AMERICAN GREETINGS** does not permit the unauthorized distribution, collection, sale, or assignment of its coupons for any reason. Therefore, coupons are not to be used in swap boxes, taped to product or placed on hooks near **AMERICAN GREETINGS** products, gathered and distributed by any person or group for charitable fund-raising purposes, or otherwise used in any way except as described in Requirement 1 above.
5. Coupons are void if taxed, restricted, or prohibited by law.
6. The consumer must pay any applicable sales tax.
7. Coupons are only redeemable at retailers located in the U.S. or U.S. Military bases.

### **Processing Manufacturer Coupons for Payment**

1. **AMERICAN GREETINGS** will accept properly redeemed and identified manufacturer coupons directly from the retailer, through a retailer clearinghouse, retailer–billing agent, or through a wholesaler-billing agent. Coupons from unauthorized intermediary agents will not be accepted.
2. All applicable IRS reporting requirements, including obtaining an appropriate taxpayer identification number must be complied with.
3. To redeem **AMERICAN GREETINGS** manufacturer coupons, send properly redeemed coupons to:

**AMERICAN GREETINGS**  
P. O. Box 880960  
El Paso, TX 88588-0960

OR

**NCH/AMERICAN GREETINGS**  
26-A Walter Jones  
El Paso, TX 79906

### Policy for Payment and Denials

1. You will be reimbursed for the following three items:
  - A) Face value of manufacturer coupons or if the coupon calls for free merchandise, for your retail-selling price (up to the stated maximum value printed on the coupon) plus;
  - B) 8¢ for handling each coupon properly redeemed plus; <sup>1</sup>
  - C) Reasonable out-of-pocket costs incurred for the physical transportation of the coupons to us or to our authorized agent. **We will not pay for any administrative or consolidation fees and, except as described in (ii) below, we will not pay any other up-charges that you or your agent (if you use one) may assess on or in lieu of such pass-through/out-of-pocket expenses.** The transportation costs will be reimbursed as follows:
    - i) For retailers who sort coupons they have redeemed and submit them directly without the use of any third party agent, you will be reimbursed for incurred reasonable postage (i.e. first class mail insured) or other shipping charges, **as indicated on the package received.**
    - ii) For those retailers that are using a clearinghouse or billing agent, you will be reimbursed at a rate equal to **four dollars and twenty five cents** per thousand coupons redeemed (**\$4.25/M**).
2. You will NOT be reimbursed for unreasonable postage, postage insurance, transportation, fees charged per submitted invoice or per store or any other additional fees.
3. Coupon reimbursements, coupon adjustments or payment denials to third party Retailer Agents ( in full or part) cannot be deducted from **AMERICAN GREETINGS'** invoices to its retailers for purchase of it's products and services.
4. **AMERICAN GREETINGS** reserves the right to request evidence of proof of **consumer purchase** and **proof of manufacturer coupon redemption** to show that sufficient product stock was purchased to justify the number of manufacturer coupons submitted for redemption and reserves the right to audit the coupon sorting and billing service of any retailer or any agent involved in the handling process.
5. American Greetings actual count of coupons received will be final and shall govern their payment. In the event that a retailer payment is withheld, the retailer must appeal this decision to American Greetings within six months of the

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<sup>1</sup> The following might be added to inform the retailer what the handling allowance is for: An industry study, independently conducted by Arthur Andersen, identified that the 8¢ covers the following costs:

- Front-End Handling by the retailer
- Store to Headquarters Accounting
- Store Occupancy
- Sundry Loss
- Cost of Funds
- Coupon Processing

This covers any special handling, invoice preparation, or other fees.

date of the notification by American Greetings or its agent. Appeals made after the specified time frame will not be honored.

If the retailer is not satisfied with American Greetings determination on appeal, then the retailer's sole remedy is to submit the dispute to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association in Cleveland, OH.

6. If false or misleading verification information is provided on a questionnaire to **AMERICAN GREETINGS**, or a certified clearinghouse, redemption privileges with **AMERICAN GREETINGS** may be permanently revoked.
7. Each shipment of coupons will be considered as a whole and **AMERICAN GREETINGS** reserves the right to refuse payment for an entire shipment if any portion of the shipment is found to be improperly redeemed.

**Other Information**

1. The cash redemption value of each coupon is 1/20 of one cent.
2. FAILURE TO OBSERVE THESE TERMS AND CONDITIONS FOR PROPER REDEMPTION MAY, (AT THE SOLE OPTION OF **AMERICAN GREETINGS**) VOID ALL COUPONS SUBMITTED FOR REIMBURSEMENT AND NECESSITATE ALL COUPONS BE RETAINED AS PROPERTY OF **AMERICAN GREETINGS**, WITHOUT PAYMENT. AMERICAN GREETINGS ALSO RESERVES THE RIGHT TO FORWARD SUBMITTED COUPONS TO LAW ENFORCEMENT AGENCIES.

FAILURE TO ENFORCE ANY OF THE TERMS OR CONDITIONS HEREOF SHALL NOT BE DEEMED A WAIVER OF THEM BY **AMERICAN GREETINGS**.

3. For questions concerning the interpretation and/or implementation of this Coupon Redemption Policy please contact your **AMERICAN GREETINGS** Account Executive.
4. Additionally, American Greetings reserves the right, in its sole discretion, to modify, revise, or eliminate any of the provisions of this Policy.

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**Store Coupon Redemption Policy**

Store coupons are defined as coupons created either by **AMERICAN GREETINGS** or by a specific retailer (for their sole use within that retailer chain) under the auspices that the retailer (requesting the coupon or involved in the production of the coupon) absorbs the entire redemption cost of the offer. Store coupons cannot be redeemed through the procedures detailed within the above Coupon Redemption Policy, nor can the accrued costs be deducted off AG invoices. Store coupons are identified by the words "store coupon" on the top of the coupon, they do not include the secondary UPC bar code section that comprises the redemption coding, nor do these coupons include the address information for redemption through a manufacturer agent.

The exception to this Store Coupon policy pertains to those retailers that are granted co-op advertising funds and/or other promotional funds as outlined in the **AMERICAN GREETINGS** Co-op Agreement. Store coupon redemption costs can be submitted via a notarized report of redemption expenses to Contract Administration for reimbursement from these funds. Coupon redemption costs from retailer co-op accounts will ONLY be reimbursed for the face value of the coupon offer, up to the maximum value stated on the coupon. Additional costs for coupon handling, postage, insurance or other miscellaneous fees are NOT eligible for reimbursement from retailer co-op funds.

Each coupon offer must be submitted under a separate report. All notarized submissions for reimbursement of store coupons must contain the following information:

- Retailer Chain name and account number
- Coupon offer (i.e. Buy 2 Cards, Get 1 Free)
- Start and end date of coupon offer.

- Itemization of coupon redemptions, listed by transaction, including the redeemed costs associated with each line-item.
- All information totaled, including the actual number of coupons counted toward the redemption request, as well as the total dollar amount of the request.
- Attached **six actual coupons** for which reimbursement is being requested.

Requests for reimbursement through retailer account Co-op funds will NOT be honored unless all of the above information is included in the submission for redemption. AG reserves the right to review all such submissions for their adherence to the criteria set forth and deny reimbursement (through co-op funds) of such submissions for any reason as detailed in the ***Policy For Payments and Denials*** as detailed in the above Coupon Redemption Policy.

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